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# 2011 Housing & Community Development Consolidated Annual Action Plan – ESG Amendments

*Lake County Consortium*

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Lake County, Illinois  
North Chicago, Illinois  
Waukegan, Illinois

# 2011 Housing & Community Development Consolidated Annual Action Plan - ESG Amendments

*Lake County Consortium*

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## Executive Summary

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The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act, including changing the Emergency Shelter Grants program to the Emergency Solutions Grants (ESG) program. The new ESG program provides greater flexibility in addressing the issue of homelessness.

In order to implement the new ESG program, HUD is requiring recipient jurisdictions such as Lake County to complete a substantial amendment to its 2011 Action Plan. Upon submission and acceptance of the amendment, Lake County will be able to access the funds set aside under the new ESG program.

HUD has required that the new ESG funds be used for activities that were ineligible under the old ESG. Homeless Prevention, Rapid Re-Housing and HMIS Administration are now newly eligible. Lake County, in consultation with the Lake County Continuum of Care (CoC) recommends that the new ESG funds be dedicated to HMIS (\$30,000) and Homeless Prevention (\$25,496). The remaining balance will go to administration. Both HMIS and Homeless Prevention grantees will be solicited through an RFP/NOFA.

Additionally, as allowed by HUD, the Homeless Prevention project funded under the old ESG (Prairie State Legal Services for \$24,250) will be reclassified to the new ESG, resulting in more persons being eligible for service under the new definition of homeless (also changed under the HEARTH Act).

The following contains the required information for the substantial amendment.

## Summary of Consultation Process

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Staff from the Lake County Community Development Division is also the facilitator of the Lake County Continuum of Care (CoC). As such, consultation occurred at a meeting called by Lake County Community Development staff on April 3. At that meeting, the CoC provided feedback on:

- how to allocate ESG funds, for which there was a consensus to emphasize prevention and HMIS;
- what the requisite policies for use of ESG funds should include; and
- what the performance standards for ESG activities should be.

The result of this consultation is contained throughout this substantial amendment.

## Summary of Citizen Participation Process

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The substantial amendment was developed and published on April 14. An invitation for comments was published in the *Lake County News-Sun*, along with a Public Hearing Notice for April 25.

No comments were offered at either the Public Hearing or during the Public Comment period (ending May 14).

## Match Information

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Match shall be determined once the general components of this Substantial Amendment are approved by HUD, whereupon a Notice of Funding Availability (NOFA) will be distributed to all potential applicants.

Upon approval by the County Board, the Table 3C's shall be submitted to HUD for each individual activity, complete with match information.

## Proposed Activities and Overall Budget

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### *Proposed Activities*

Once the general components of this Substantial Amendment are approved by HUD, a Notice of Funding Availability (NOFA) will be distributed to all potential applicants. Upon approval by the County Board, the Table 3C's shall be submitted to HUD for each individual activity.

### *Discussion of Funding Priorities*

Lake County had a very positive experience with both components of the Homelessness Prevention & Rapid Re-Housing Program (HPRP). However, given the amount of funding available under the new ESG, the CoC and the County agreed that it was more appropriate to prioritize prevention funding.

Furthermore, the CoC and the County have found that the local implementation of HMIS had insufficient resources to fully succeed. Therefore, now that HMIS is an eligible activity under ESG, providing resources to it was an easy choice.

### *Detailed Budget*

This information is included in the HUD-provided Table 3, included as Appendix A of this substantial amendment.

## Written Standards for Provision of ESG Assistance

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### *Eligibility Evaluation Policy*

*Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.*

Each individual program is allowed to have general criteria by which they evaluate a potential participant's eligibility in an ESG-funded program. All such criteria must be reviewed and approved by the Homeless Assistance Application Review Committee of the Community Development Commission (CDC), and must contain the following:

- All program participants must have an initial consultation with a case manager or other authorized representative who can determine eligibility and the appropriate type of assistance needed.
- All program participants must have income at or below 30% of the Area Median Income (AMI). Income shall be determined on a prospective basis (not retrospective), and shall be certified using the Part 5 definition.
- A Staff Certification form (to be provided by Lake County) must be completed with each eligibility evaluation.

For persons who are considered "literally homeless," no additional eligibility criteria are necessary. The documentation requirements for such persons are as follows:

- Written observation by the outreach worker; or
- Written referral by another housing or service provider (including HMIS recorded referral);  
or

- Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in a shelter.
- For individuals exiting an institution – one of the above forms of evidence and:
  - Discharge paperwork or written/oral referral, or
  - Written record of intake worker's due diligence to obtain above evidence and certification by individual that they exited institution

For persons who are considered at “imminent risk of homelessness,” the following documentation is required:

- A court order resulting from an eviction action notifying the individual or family that they must leave; or
- For individual and families leaving a hotel or motel – evidence that they lack the financial resources to stay; or
- A documented and verified oral statement; and
  - Certification that no subsequent residence has been identified; and
  - Self-certification or other written documentation that the individual lacks the financial resources or support necessary to obtain permanent housing.

Finally, persons that are fleeing or attempting to flee domestic violence must have the following documentation:

- *For victim service providers:*
  - An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by an intake worker.
- *For non-victim service providers (ie, agencies who do not exclusively serve DV victims):*
  - Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; and
  - Certification by the individual or head of household that no subsequent residence has been identified; and
  - Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

Lake County does not intend to serve many persons considered homeless under other Federal statutes at this time; however, the following documentation is required:

- Certification by the organization that the individual or head of household seeking assistance met the criteria for homelessness under another federal statute; and
- Certification that the individual or head of household had no permanent housing in the last 60 days; and
- Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved two or more times in the past 60 days; and
- Documentation of special needs or at least two of the following barriers:
  - the lack of a high school degree or General Education Development (GED);
  - illiteracy;
  - low English proficiency;
  - a history of incarceration or detention for criminal activity;
  - a history of unstable employment

### *“At Risk of Homelessness”*

For persons who are considered “at risk of homelessness,” the following criteria apply:

- Program participants must not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in the definition of homeless; and
  - Meets ONE of the following conditions:
    - Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
    - Is living in the home of another because of economic hardship;
    - Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
    - Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
    - Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
    - Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
    - Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the Lake County Consolidated Plan;

For persons who are considered “at risk of homelessness,” the following documentation is required:

- A documented and verified oral statement from the program participant; and
- Certification that no subsequent residence has been identified; and
- Self-certification or other written documentation that the individual lacks the financial resources or support necessary to obtain permanent housing; and
- Self-certification or other written documentation that the individual meets one of the conditions listed.

### *Homeless Services Coordination Policy*

*Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.*

All ESG-funded programs must participate in the Lake County Homeless Management Information System (HMIS), commonly known as ServicePoint. Only programs that are specifically forbidden by other statutes or regulations (e.g., domestic violence victim service providers) may not participate.

All HMIS-participating agencies must collect and maintain common data fields as determined by the HMIS Administrator and HMIS Committee, considering all relevant regulations. These common practices will be to ensure services are coordinated among organizations – one client, one record.

[RESERVED FOR FUTURE CENTRAL/COORDINATED INTAKE]

Finally, all ESG-funded programs must send a representative to the meetings of the Lake County Coalition for the Homeless. Participation in at least one committee is also required. Failure to attend may result in penalties on future applications.

### Prioritization Policies

*Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.*

#### Homelessness Prevention

Any household that may otherwise be eligible for prevention assistance under ESG must also meet the “but for” rule – that is, “Would this individual or family be homeless but for this assistance?”

The “but for” rule can be documented with the following:

- Certification by the individual or head of household that no subsequent residence has been identified; and
- Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

Furthermore, any household that qualifies for prevention assistance and meets the “but for” rule must also have the following qualifications:

- Have no more than three months of arrears; and
- Demonstrate an ability to sustain housing; and
- Demonstrate an ability to earn income; and
- Would remain in housing that is decent, safe, sanitary, and affordable.

If the household cannot meet the above qualifications, it is reasonable to infer that the household is in greater need than prevention assistance can provide for, and the household will be referred to a more appropriate program.

#### Rapid Re-Housing

At this time, Lake County does not anticipate using any of its ESG allocation on Rapid Re-Housing activities. The funding is not sufficient to provide adequate assistance to households in need, and the Continuum of Care has a large number of well-functioning transitional housing programs that can adequately meet the needs of this population.

If Lake County and the CoC do ultimately decide to provide rapid re-housing assistance with ESG funds, prioritization policies will be developed and submitted to HUD.

### Rent & Utility Cost Sharing Policy

*Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.*

Each individual program is allowed to have general criteria by which they determine a program participant’s share of rent and/or utilities in an ESG-funded program. All such criteria must be reviewed and approved by the Homeless Assistance Application Review Committee of the Community Development Commission (CDC). However, in no case shall a program participant’s share of rent plus utilities exceed 30% of their income (income is calculated using the Part 5 definition).

### Length of Participation Policy - Financial Assistance

*Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.*

ESG funds will be limited to short-term rental assistance (up to three months) and payment of rental arrears (up to three months). Participants may only receive ESG prevention assistance once in 24-month period.

### Length of Participation Policy - Housing Stabilization and/or Relocation Services

*Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance.*

The amount and type of Housing Stabilization and/or Relocation Services to be provided to a particular program participant will be determined by the organization providing the assistance. However, the duration of such services shall not exceed six months.

## Process for Making Sub-awards

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Once the general components of this Substantial Amendment are approved by HUD, a Notice of Funding Availability (NOFA) will be distributed to all potential applicants. Upon approval by the County Board, the Table 3C's shall be submitted to HUD for each individual activity.

Applications will be reviewed by an Application Review Committee (ARC) of the Community Development Commission. The ARC will consider all eligible applicants, and make recommendations to the full Commission based on a set of evaluation criteria. The Commission will approve the recommendations in concert with the Citizen Participation Plan. The County Board will then have final say on all funding awards.

## Homeless Participation Requirement

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The CoC has several formerly homeless persons as members, including on its Board of Directors. Lake County, by consulting the CoC, meets the standards of § 576.405(b).

## Performance Standards

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The CoC developed some general performance standards which, after evaluation, may be modified and adjusted as appropriate. The preliminary standards include:

- Diversion rate (percentage of persons who seek shelter that receive other assistance)
- Stabilization rate (percentage of persons who remain in permanent housing six months after receipt of assistance)
- Meeting other CoC Standards (as a result of increased HMIS resources)



## Certifications

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The Emergency Solutions Grants Program Recipient certifies that:

**Major rehabilitation/conversion** – If an emergency shelter’s rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

**Essential Services and Operating Costs** – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the jurisdiction will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the jurisdiction serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

**Renovation** – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

**Supportive Services** – The jurisdiction will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for such individuals.

**Matching Funds** – The jurisdiction will obtain matching amounts required under 24 CFR 576.201.

**Confidentiality** – The jurisdiction has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

**Homeless Persons Involvement** – To the maximum extent practicable, the jurisdiction will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

**Consolidated Plan** – All activities the jurisdiction undertakes with assistance under ESG are consistent with the jurisdiction’s consolidated plan.

**Discharge Policy** – The jurisdiction will establish and implement, to the maximum extent practicable and where appropriate policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities,

or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

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**Signature/Authorized Official**

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**Date**

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Chair, Lake County Board  
**Title**

## Appendix A - Table 3 - FY 2011 Detailed Budget Table

<b>First Alloc.</b>	\$112,040.00	<b>FY 2011</b> <b>-</b> <b><u>Emergency Shelter Grants/Emergency Solutions Grants</u></b> <b><u>Program Allocations</u></b>			
<b>Second Alloc.</b>	\$63,023.00				
<b>Grant Amount</b>	\$175,063.00				
<b>Total Admin</b>	\$13,129.73				
		<b>First Allocation</b>		<b>Second Allocation</b>	<b>Total Fiscal Year 2011</b>
	<b>Eligible Activities</b>	<b>Activity Amount</b>	<b>Reprogrammed Amount</b>	<b>Activity Amount</b>	<b>Activity Amount</b>
<b>Emergency Shelter Grants Program</b>	Homeless Assistance	<b>\$82,188.00</b>	<b>\$0.00</b>		<b>\$82,188.00</b>
	<i>Rehab/Conversion</i>	\$0.00	\$0.00		\$0.00
	<i>Operations</i>	\$57,188.00	\$0.00		\$57,188.00
	<i>Essential Services</i>	\$25,000.00	\$0.00		\$25,000.00
	Homeless Prevention	<b>\$24,250.00</b>	<b>\$24,250.00</b>		<b>\$0.00</b>
	Administration	<b>\$5,602.00</b>	<b>\$0.00</b>		<b>\$5,602.00</b>
	<b>Emergency Shelter Grants Subtotal</b>	<b>\$112,040.00</b>	<b>\$24,250.00</b>		<b>\$87,790.00</b>
<b>Emergency Solutions Grants Program</b>	Emergency Shelter**			<b>\$0.00</b>	<b>\$0.00</b>
	<i>Renovation**</i>			\$0.00	\$0.00
	<i>Operation**</i>			\$0.00	\$0.00
	<i>Essential Service**</i>			\$0.00	\$0.00
	<i>URA Assistance**</i>			\$0.00	\$0.00
	St. Outreach – Ess Svcs			<b>\$0.00</b>	<b>\$0.00</b>
	HMIS		<b>\$0.00</b>	<b>\$30,000.00</b>	<b>\$30,000.00</b>
	Rapid Re-housing		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
	<i>Housing Relocation &amp; Stabilization Services</i>		\$0.00	\$0.00	\$0.00
	<i>Tenant-Based Rental Assistance</i>		\$0.00	\$0.00	\$0.00
	<i>Project-Based Rental Assistance</i>		\$0.00	\$0.00	\$0.00
	Homelessness Prevention		<b>\$24,250.00</b>	<b>\$25,496.00</b>	<b>\$49,746.00</b>
	<i>Housing Relocation &amp; Stabilization Services</i>		\$24,250.00	\$14,000.00	\$38,250
	<i>Tenant-Based Rental Assistance</i>		\$0.00	\$11,496.00	\$11,496
	<i>Project-Based Rental Assistance</i>		\$0.00	\$0.00	\$0.00
	Administration			<b>\$7,527.00</b>	<b>\$7,527.00</b>
	<b>Emergency Solutions Grants Subtotal</b>		<b>\$24,250.00</b>	<b>\$63,023.00</b>	<b>\$87,273.00</b>
			<b>Total Grant Amount:</b>		<b>\$175,063.00</b>